Small Business Forest Enterprise Program

Prince Rupert Forest Region Strategic Plan 2001-2006

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BRITISH COLUMBIA

Ministry of Forests
Prince Rupert Forest Region

Kispiox Forest District. Group selection in foreground, natural openings in centre background. Integrates mosaic of forest types and character.

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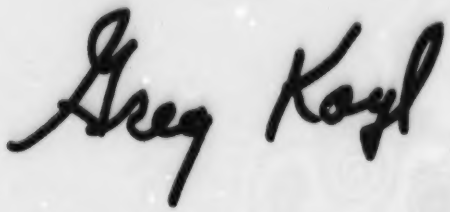
Message From the ADM

The Small Business Forest Enterprise Program (SBFEP) plays an important role in supporting the forest economy of British Columbia. The program provides opportunities for loggers, small sawmill operators, lumber remanufacturers, specialty timber product producers, forestry consultants and contractors.

This strategic plan will provide direction for the Prince Rupert Forest Region to support innovation, environmental sustainability, excellence in forestry and business practices and economic benefits for our clients. I am pleased to endorse this strategy.



Greg Koyl

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1.0 Preamble

This strategic plan will provide the framework for the Small Business Forest Enterprise Program within the Prince Rupert Forest Region (PRFR) for the next five years. We have undertaken a review of the provincial small business strategic plan and designed our plan to build on that model. We are committing to this plan to ensure our small business program achieves excellence in forest management.

We recognize our plan will need to be adapted over the next five years to reflect changes that will occur with the environmental, social and economic objectives of the Crown. However, we are confident that we have the dedicated and skilled staff within our organization to meet this challenge.

We are proud of the accomplishments of the small business program and we are confident our plan will ensure that the innovations and success of the program will continue.

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Bulkley/Cassiar Forest District

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Morice Forest District

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PRINCE RUPERT FOREST REGION

2.0 Introduction

This five year strategic plan builds upon recent Small Business Forest Enterprise Program (SBFEP) innovations and successes with the aim of providing clear management direction towards the achievement of three primary goals:

1. enhancing overall business efficiency;
2. improving client service; and,
3. ensuring sustainable forest management practices in all Small Business Program activities in the Prince Rupert Forest Region.

The plan will ensure consistency with current ministry policies and core program objectives surrounding the SBFEP as well as those unique to the district delivery centres throughout the region. It is modelled on the basic framework established within the currently approved Forest Enterprises Branch (FEB) 2000 – 2005 Five Year Strategy and the district and regional specific objectives identified through a regional consultation process.

Quick Facts

Across B.C. the SBFEP supports more than 11,000 direct forestry jobs.

In the PRFR more than 1,600 direct jobs are supported by the SBFEP in logging, sawmilling, remanufacturing and silviculture.

3.0 Forest Enterprise Program Overview

3.1 Vision

To have a respected and effective organization that actively contributes to sustainable managed forests by working in partnership with and promoting viable independent forest enterprises.

3.2 Mission

To demonstrate excellence and leadership in forest management and business practice; to provide harvesting opportunities for our clients and to deliver economic benefits to communities, workers, industry and the Crown.

3.3 Core Program Objectives

The core program objective of the SBFEP is to provide tenure opportunities to individuals and small forest companies in order to achieve economic and social benefits for the Crown. We are committed to managing the harvest of the annual apportionment in an environmentally sound manner.

Quick Facts

The SBFEP timber apportionment accounts for 13% of the provincial AAC.

In 2000, 5.4 million trees were planted across PRFR on 3,800 ha of land previously logged under the SBFEP.

3.4 Prince Rupert Forest Region Strategic Direction

The Prince Rupert Region's small business program has a total apportionment of 1,599,802 cubic meters, with approximately 340 registrants. This represents a significant opportunity to provide benefits to the northwest communities, including first nations communities. In order to ensure these opportunities continue to be available we are committed to achieving the goals identified in this plan.

A significant goal is to become certified under the International Standards Organization (ISO). In order to accomplish this we will develop an Environmental Management System (EMS) to guide our operations. Integral to this EMS will be a quality assurance program that will systematically monitor and assess our achievements. We will also need to have the full co-operation from our small business clients who will need to implement our EMS by using a high degree of skill and knowledge. We will support an operator training program to help achieve the desired results.

We have identified a need to review the secondary manufacturing opportunities in our region. We will undertake a study that will identify the unique challenges faced in the northwest. We will measure our success by monitoring the new business opportunities that are created within the next five years.

We will continue to implement our small scale salvage program that will identify specific allocations for each district that are required to address the unique circumstances of the district.

We will develop a regional marketing strategy for bid proposal sales that will provide licence opportunities intended to enhance the value-added sector. We will also develop strategies to market pulpwood, dry saw logs and small diameter second growth trees.

In order to contribute to sustainable forest management, we will develop a research strategy to address issues pertaining to small business operations.

We want to ensure that we are achieving the results anticipated by the strategic plan and commit to producing an annual report that will provide a performance report and include social and economic benefits realized under the program.

3.5 Description of District SBFEP

The following section highlights the variations between the districts and identifies their unique features. There is also a summary of the strategic challenges and opportunities being dealt with each district in the Prince Rupert Forest Region.

3.5.1 North Coast Forest District

The North Coast Forest District Small Business Program is unique from others in the region in several respects. Most significant are the isolated, coastal nature of the development areas and the coastal timber profile dominated by large diameter hemlock and balsam with minor but higher valuable components of spruce and cedar. Operating in steep coastal terrain contributes to the highest development costs (road and infrastructure construction) in the region. The Small Business apportionment for the North Coast District is 149,082 cubic metres.

Current strategic challenges and opportunities include:

- Continuing to implement the aboriginal employment and licence opportunity strategy.
- Developing one or more larger, longer term licences, to encourage the establishment of a value-added timber processing facility within the community of Prince Rupert/ Port Edward.

Running skyline yarder at work in timber sale area

Log dumping at Crow Lagoon, Small Business Development area

Shawn Hedges, small business forester beside Sitka Spruce

3.5.2 Kalum Forest District

The Kalum Forest District Small Business Program has an apportionment of 312 974 cubic metres between the Kalum (coastal) and Nass (interior) Timber Supply Areas (TSA). The average timber profile is decadent hemlock/balsam of which 50 per cent is pulp. There are currently a total of 94 active registrants of which five are in Category 2, one is a new Category 3 and the remainder are Category 1 registrants. Kalum SBFEP licensees are dependent on the two major licensees, West Fraser and Skeena Cellulose, in the district. The downturn in the economy over the past few years has brought hardship to many SBFEP registrants. In the Nass TSA, SBFEP licensees market their sawlogs predominately on the log export market and pulp logs on the Vancouver log market.

Current strategic challenges and opportunities include:

- Finding a market for and/or encouraging the establishment of a value added timber processing facility for small diameter timber (from commercial thinning) and small tops (volume from 20 cm top to a 10 cm top).
- Selling timber sales with high pulp content during a time of depressed markets that results in returned timber sales.
- Accessing the upper Nass River area as a new SBFEP operating area.
- Developing a strategy for managing the increased expectations of First Nations for tenure opportunities.
- Opportunities may be considered within the SBFEP mandate to deal with available undercut volumes in the Nass and Kalum TSAs.

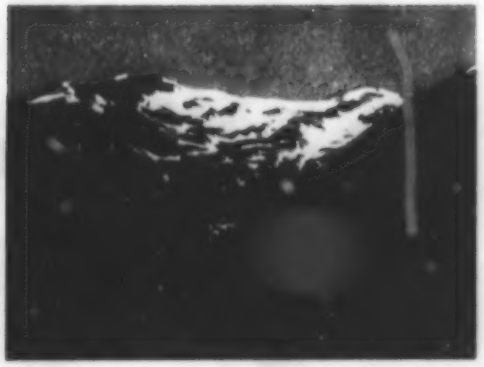


photo • Lloyd Davies

photo • Lloyd Davies

3.5.3 Kispiox Forest District

The Kispiox District SBFEP has an apportionment of 247 520 cubic metres in the Kispiox TSA and 10 000 cubic metres in the Cranberry TSA. The species profile harvested under the program include balsam (49 per cent), hemlock (40 per cent), spruce (8 percent), cedar (2 percent) and pine (1 per cent). The pulp component can exceed 40 percent in balsam stands and often exceeds 70 per cent in hemlock stands as a result of the dominance in the timber profile of age class 8 and 9 forests. The Program currently has 37 registrants in Category 1 and three registrants in Category 2.

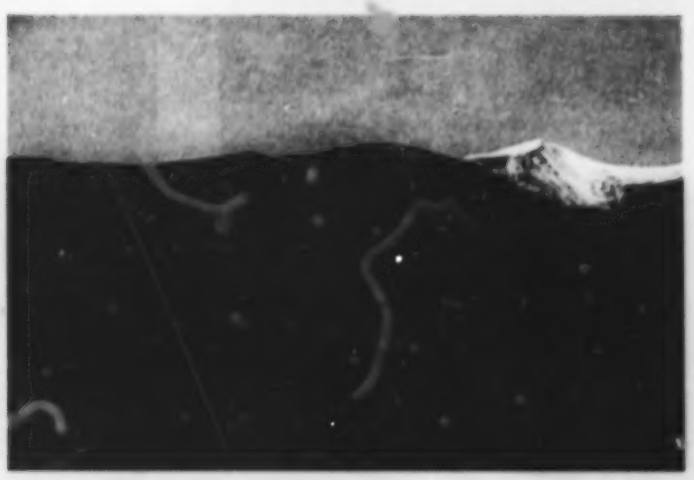
The Kispiox Land and Resource Management Plan (LRMP) provides the management objectives and strategies that guide the use of provincial Crown land and resources in the Kispiox TSA. The McCully Creek Adaptive Management Plan is a pilot project to evaluate and illustrate the application of various forest management strategies to meet a variety of resource value goals using adaptive management principles.

Current strategic challenges and opportunities include:

- A relative lack of local demand due to depressed markets.
- The selling of timber sales with poor timber quality during poor market conditions resulting in a relatively high proportion of returned timber sales.
- The transitional nature of the district with respect to terrain, climate and operational constraints.
- The impending threat of balsam bark beetle to large areas of age class 8 and 9 balsam leading stands.

Small to medium gaps (0.3 to 1 ha) creates representation (at landscape level) of wider range of opening sizes. Reflects more "natural" size distribution of vegetation patch mosaic.

photo • Lloyd Davies



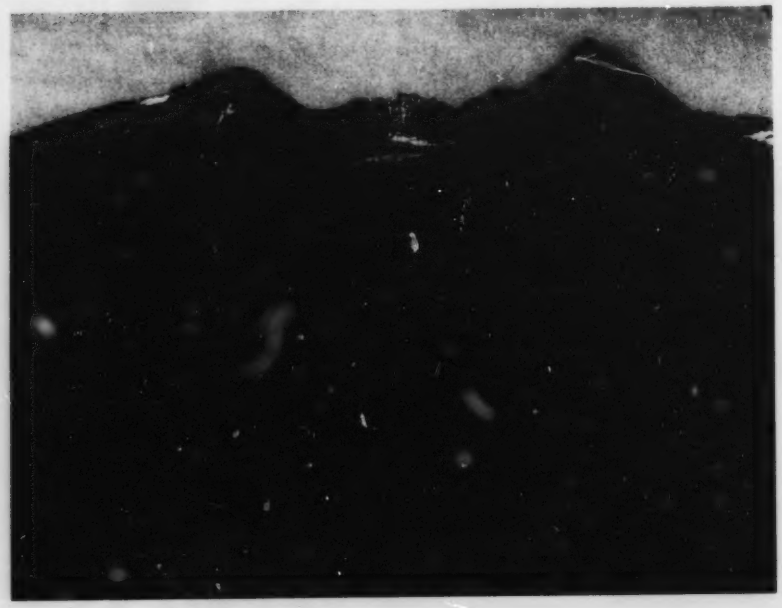
3.5.4 Bulkley/Cassiar Forest District

The Bulkley-Cassiar SBFEP operates in two TSAs. The current apportionment of the program is 15,000 cubic metres (SB and FSR) in the Cassiar TSA and 241,806 cubic metres in the Bulkley TSA with 39% of this volume partitioned to marginal sawlog and pulp quality stands. The species harvested under the program is primarily balsam (56%) (amabilis & lasiocarpa) with pine (21%), spruce (18%) and hemlock (5%). All forest management activities of the program in the Bulkley TSA are guided by a Land and Resource Management Plan and approved Landscape Unit Objectives. The achievement of these objectives is monitored by the Smithers Community Resources Board, which was involved in the creation of the LRMP.

In the Bulkley-Cassiar Small Business Program there are 79 active registrants. Of this number, 9 are category two and the remainder category one.

Current strategic challenges and opportunities include:

- Re-emergence of spruce bark beetle in concert with mountain pine beetle continues to complicate forest management decisions.
- Selling poor quality (marginal sawlog/pulp) timber under the bid proposal (value-added) program.
- Selling timber sales during poor market conditions.
- Development and implementation of the SBFEP within a Forest Practices Code pilot proposed to include all licensees in the Bulkley TSA. The opportunity is for reduced administration costs.



3.5.6 Morice Forest District

The Morice Forest District Small Business Program operates in the central portion of the Morice TSA in interior forests. The SBFEP species profile in the timber harvesting land base is 53 per cent pine, 33 per cent spruce and 14 per cent balsam. The majority of this profile is sawlog quality. The current apportionment of the program is 184 870 cubic metres. There are a total of 34 active registrants and of this number, five are category two and the remainder category one.

Within the Morice Forest District, there are no higher level plans under the *Forest Practices Code of British Columbia Act* (FPC). A small portion of the SBFEP operating area is guided by the Morice Local Resource Use Plan, which was developed prior to the *FPC Act*.

Current strategic challenges and opportunities include:

- Currently, the majority of the annual apportionment in SBFEP is directed towards harvesting stands infested with bark beetles.
- Managing forest health associated with increasing bark beetle infestations while ensuring appropriate consideration is afforded to non-timber resource values. It is expected that bark beetles will continue to be an issue in the Small Business operating areas. Many of the areas contain susceptible timber that is at risk to attack from both spruce and pine bark beetles.
- SBFEP participation in the development of an updated district bark beetle strategy. The Bark Beetle Strategy is intended to provide planning and operational direction to ensure effective management of bark beetles within the district.
- Finding ways to ensure that beetle sales are made available for sale and harvest at such times that take advantage of favourable market opportunities.
- Working towards a co-operative TSA certification with other Morice licensees, under a provincial pilot.

Quick Fact

Across PRFR in 2000, 1.6 million m³ of SBFEP timber was harvested generating a total stumpage revenue of $41.8 million.

3.5.7 Lakes Forest District

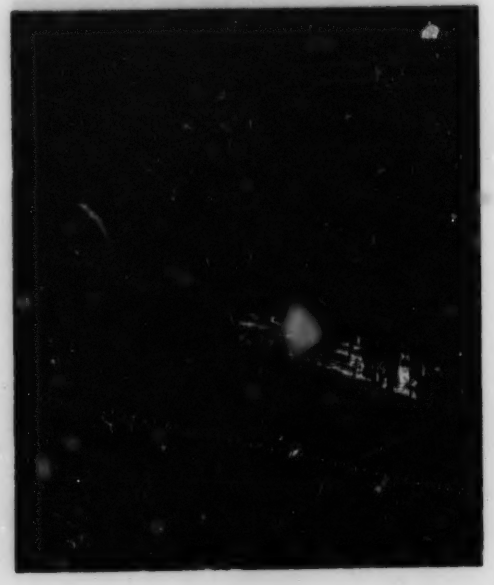
The Lakes SBFEP operates in the central part of the Lakes TSA. The operating area is predominantly a sub boreal spruce ecosystem forest composed of lodgepole pine and spruce. Approximately 96 per cent of the timber harvested is suitable for sawlogs with the remaining 4 per cent as pulp. The current apportionment of the program is 438 550 cubic metres, of which approximately 160 000 cubic metres (36 per cent) is allocated to value-added tenures. A LRMP guides the forest management activities of the program. More specific objectives and strategies are being developed through a landscape unit planning process. Once approved, a local community committee will monitor the achievement of the specified objectives.

In the Lakes SBFEP, there are a total of 94 active registrants. Of this number, 13 are category two and the remainder category one.

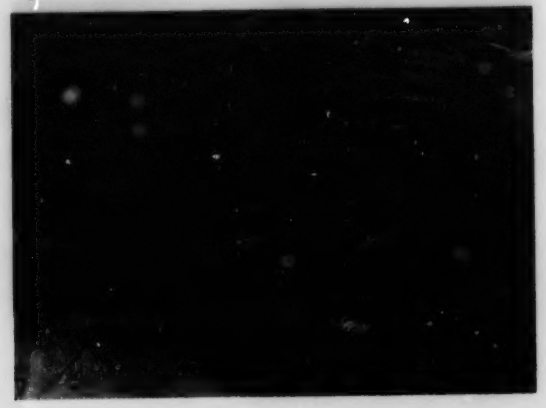
Current strategic issues and opportunities include:

- The largest challenge for the program is to find a way of sustaining the program in the face of a beetle epidemic that exceeds the present harvesting, milling and marketing capacity of licensees within the TSA.
- Finding future opportunities within the program to salvage beetle-killed timber to supply specialty markets such as the log home industry.

Small Scale Salvage opening for mountain pine beetle harvest



Clearcut with reserves—removal of spruce beetle



4.0 Goals, Strategies and Priorities

The strategic plan is structured on three levels:

1. broad strategic program goal statements describing the targeted core value(s) to be achieved;
2. a series of descriptive strategies designed to support the achievement of the core goal values: and,
3. a variety of detailed priorities describing specific actions.

4.1 Goal #1 Demonstrate excellence and leadership in sustainable forest management practices

4.1.1 Strategies

- Continuously improve and aim for the best in forest management practices.
- Meet all Forest Practices Code standards.
- Pilot innovative harvesting, silviculture and marketing regimes.
- Engage in forest certification projects.

Priorities

- Support and participate in provincially sponsored training programs and initiatives for registrants.
- Enhance licensee performance by improving the quality and format of the information transfer process (e.g. Standardized TSL highlight summary template, consolidated TSL/operational plan folios).
- Hold regular group information meetings with registrants to share and update information on their/SBFEP needs, expectations or recent developments and/or emerging issues.
- Provide detailed objectives for professional service contractors (e.g. higher-level plan objectives for Silviculture Prescriptions).
- Clearly communicate expected harvesting standards to licence holders at pre-work stage (eg. Harvesting or site plans). Need flexibility to communicate to licensee but not conflict with FPC.
- Develop and implement a quality assurance program (an internal monitoring system to access achievement of standards) for the PRFR.

- Participate in the Forest Practices Code pilot in the Bulkley TSA.
- Enhance the public and client consultation process by publishing forest development plans and current sales schedules on ministry/district web sites.
- Develop a regional research strategy to address SB priorities.
- Provide regular and structured training opportunities to ensure staff have the core knowledge and skill sets required for the efficient operation of the SBFEP.
- Use of harvesting and road construction facilitator to meet quality assurance objectives.
- Expand the use of alternate (non-clearcut) silviculture systems.
- Participate in the Innovative Forest Practices Agreement (IFPA) pilots in Morice and Lakes Forest Districts.
- Pilot an adaptive forest management regime in the Kispiox Forest District.
- Develop and implement an Environmental Management System in accordance with the provincial strategy.
- Undertake a review and gap analysis of existing Standard Operating Procedures (SOPs) and where required develop new SOPs to standardize and build into the emerging Environmental Management System (EMS).
- Participate in the Canadian Standards Association (CSA) forest certification pilot in Morice Forest District.

4.2 Goal #2 Provide access to timber

4.2.1 Strategies

- Have a mixture of competitive tenure agreements.
- Have a wide variety of qualified program registrants.
- Sell all available program apportionment.
- Provide sufficient resources to support the program activities.
- Utilize different sized timber sales.

Priorities

- Develop a strategy to manage and where possible enhance the bid proposal apportionment in order to establish, maintain and attract value-added processing facilities.
- Prepare a consolidated PRFR multi-year bid proposal sales plan.
- Utilize SBFEP harvest opportunities to assist in bark beetle management.
- Utilize SBFEP to support the provincial First Nation Forest Strategy.
- Periodically review the distribution of tenure types (fully developed TSLs, partially developed TSLs and non-replaceable Forest Licences) used throughout the PRFR and complete periodic re-adjustments where appropriate to meet changing client needs and available resources.
- Support and participate in provincial EMS registrant training initiative.
- Each district will continue with their small scale salvage program.
- Each district to develop sufficient volume (STI) to be able to respond to market changes.
- Develop a regional marketing strategy to address challenges (small wood, dry wood, pulp) and opportunities for tenure disposition.
- Each district to develop their sales plan to meet client needs.
- Develop regional and district business plans in context of developed volume (STI) targets, forest development plans, annual sales plan and extraordinary costs (e.g. large structures, forest health).
- Sell a range of sale sizes to meet client needs within the available fiscal and human resource framework.

4.3 Goal #3 Promote excellence in business practices

4.3.1 Strategies

- Ensure that we respond to client needs.
- Ensure that the SBFEP program is operating efficiently.
- Hold the SBFEP accountable for sound financial management.

Priorities

- Undertake and communicate results of a periodic PRFR/district client survey (to be included in annual report).
- Communicate and implement best practices resulting from any program reviews.
- Develop and undertake periodic district-specific program reviews to ensure the SBFEP obtains value for money.
- Encourage sound budget management by annually reviewing and reporting on achievements and expenditures.

Conclusion

This strategic document will guide the small business activities for the Prince Rupert Forest Region for the next 5 years. Priorities and strategies have been established for our 3 core goals. The plan will be actively monitored to assess the achievement of the goals. It is our intention to review and update the plan within 2 years. To provide comments and ask any questions please contact your local district office or the regional office in Smithers.

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